

**Report to the**  
**Senate Appropriations Committee on Health and Human Services**  
**House of Representatives Appropriations Subcommittee**  
**on Health and Human Services**  
**and**  
**Joint Legislative Oversight Committee**  
**on Mental Health, Developmental Disabilities and**  
**Substance Abuse Services**

**Monthly Report on Community Support Services**

**January 2008**

**Session Law 2007-323**

**House Bill 1473**

**Section 10.49.(ee)**

**February 29, 2008**

**North Carolina Department of Health and Human Services**

## Executive Summary

Legislation in 2007 requires the Department of Health and Human Services to report monthly on the use and cost of community support services for persons with mental health, developmental, and substance abuse disabilities. This January 2008 report includes data on the past 18 months of services. The following highlights provide a summary of that information.

### *Highlights*

- In November 2007, about 26,000 children and 14,000 adults received Medicaid-funded community support services and about 400 children and almost 3,100 adults received State-funded community support services. This is a reduction from previous months.
- Over 840,000 hours of Medicaid-funded community support services, at a cost of \$43 million, were provided to children and adolescents in November 2007. State-funded services for children and adolescents totaled about 5,900 hours and cost under \$293,000.
- Medicaid-funded community support services for adults totaled over 345,000 hours in November 2007, at a cost of almost \$17.7 million. About 15,000 hours of State-funded services were provided that month, at a cost of over \$763,000.
- In November 2007, the use of Medicaid-funded community support services averaged 32 hours per month for 9 months for children and adolescents and 25 hours per month for 10 months for adults. State-funded services were provided for about half that long on average and at less than half that intensity.
- As of January 31, 2008, 1,487 provider sites were actively enrolled with Medicaid to provide community support services and the enrollment of 274 had been terminated.
- Over 1,000 provider sites have been referred to the Division of Medical Assistance for further investigation. Of those, 21 have been referred to the Attorney General's Medicaid Investigation Unit.
- The greatest numbers of persons receiving enhanced services in November 2007 were found in psychosocial rehabilitation and assertive community treatment teams.
- The highest *total hours* of services in November 2007– after community support – were for psychosocial rehabilitation and child day treatment. *Average hours per person* for these Medicaid-funded services during November remained over twice the average hours for community support.
- The most expensive services after community support in November 2007 were child day treatment at over \$1.8 million and assertive community treatment teams, at over \$2.6 million, (Medicaid and State funds combined).

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# Community Support Services

## January 2008 Report

### Legislative Background

Session Law 2007-323, House Bill 1473, Section 10.49.(ee) requires the Department of Health and Human Services to “[evaluate] the use and cost of community support services to identify existing and potential areas of over utilization and over expenditure.” Section 10.49(ee)(10) further stipulates that the Department will:

*“Beginning October 1, 2007, and monthly thereafter, report to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services. The report shall include the following:*

- a. The number of clients of community support services by month, segregated by adult and child;*
- b. The number of units of community support services billed and paid by month, segregated by adult and child;*
- c. The amount paid for community support by month, segregated by adult and child;*
- d. Of the numbers provided in sub-subdivision b. of this subdivision, identify those units provided by a qualified professional and those provided by a paraprofessional;*
- e. The length of stay in community support, segregated by adult and child;*
- f. The number of clinical post payment reviews conducted by LMEs and a summary of those findings;*
- g. The total number of community support providers and the number of newly enrolled, re-enrolled, or terminated providers, and if available, reasons for termination;*
- h. The number of community support providers that have been referred to DMA's Program Integrity Section, the Division's "Rapid Action response" committee; or the Attorney General's Office;*
- i. The utilization of other, newly enhanced mental health services, including the number of clients served by month, the number of hours billed and paid by month, and the amount expended by month.”*

**About the Data:** The following pages include historic data for 18 months, in order to capture trends in the use of community support services since its inception. The data span Medicaid-funded and State-funded services that were provided between August 1, 2006 and January 31, 2008 based from service claims paid through January 31, 2008. The data on the following pages – with the exception of Figure 1.7 and 1.8 – are based on the *date of service*, rather than the *date of payment*, as this gives a more accurate description of the actual trends in use of services. (See page 7 for more information.) Caution is necessary in interpreting data for the most recent months, due to delays in providers’ submission of service claims.

**The possibility of incomplete data for the most recent months is represented by dotted lines (- - -) in the graphs.**

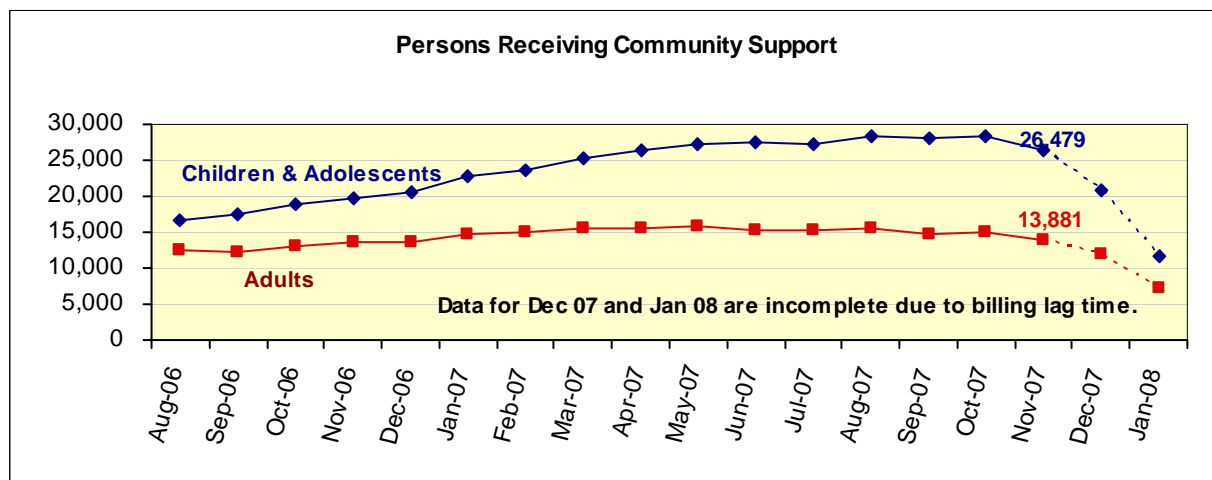
**Medicaid funding defines children as ages 0-20; State funding defines children as ages 0- 17.**

# Use of Community Support Services

## Number of Consumers

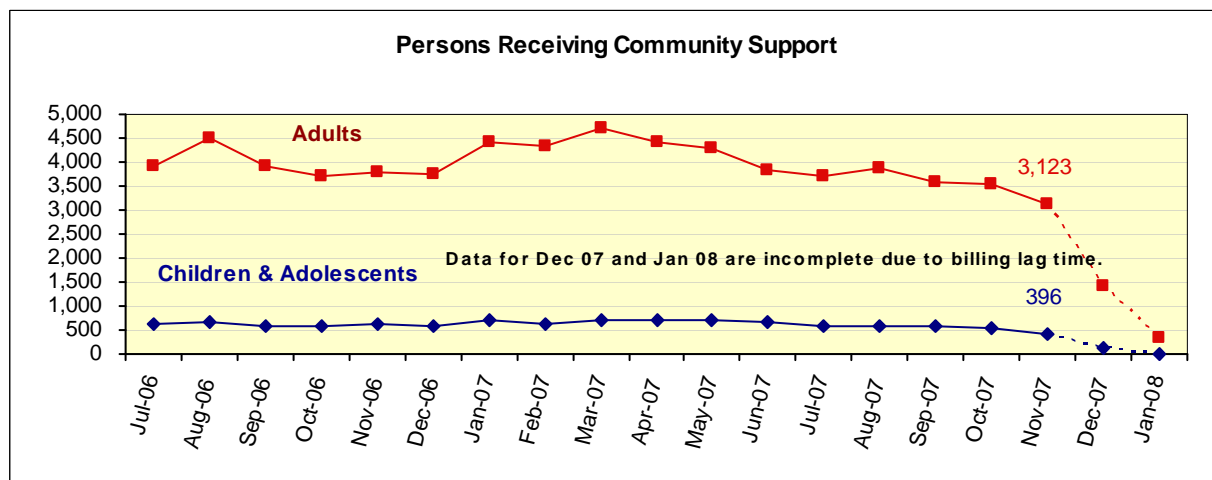
As indicated by Figure 1.1 below, the number of individuals receiving Medicaid-funded community support services was just under 27,000 children and adolescents and slightly below 14,000 adults by November 2007.

**Figure 1.1**  
**Medicaid-Funded Services**



As indicated by Figure 1.2 below, more adults receive State-funded community support services than children and adolescents. The number of adults served has continued to decrease since March 2007, while the number of children and adolescents shows a slight decrease.

**Figure 1.2**  
**State-Funded Services**



## Volume of Services

Since last month's report, there has been a major decrease in the hours of Medicaid-funded community support provided, as shown in Figure 1.3. Children and adolescents received slightly over 840,000 hours of services (3.4 million units), and adults received slightly over 345,000 hours (1.4 million units) in November 2007.

**Figure 1.3**  
**Medicaid-Funded Services**

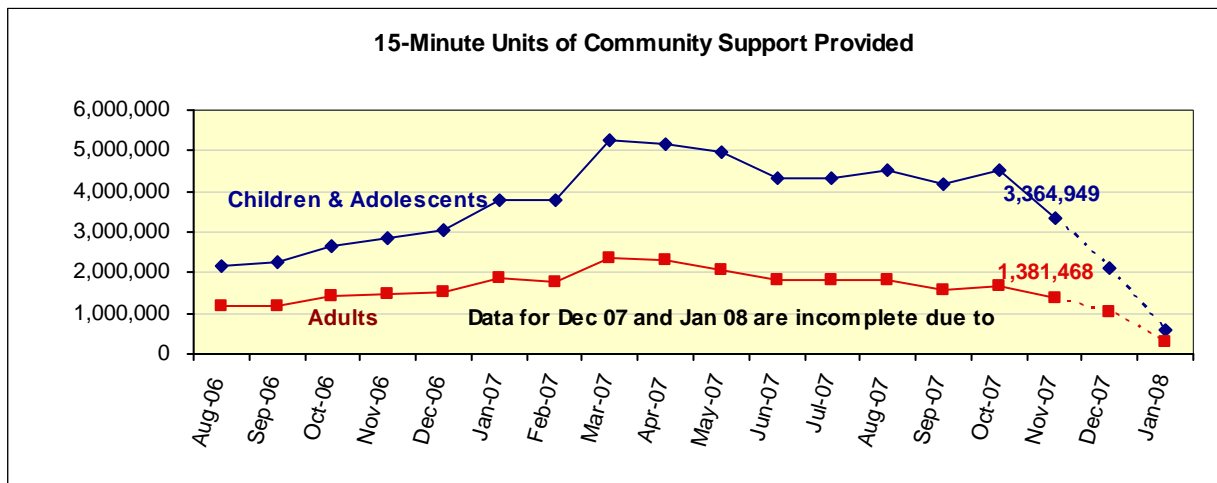
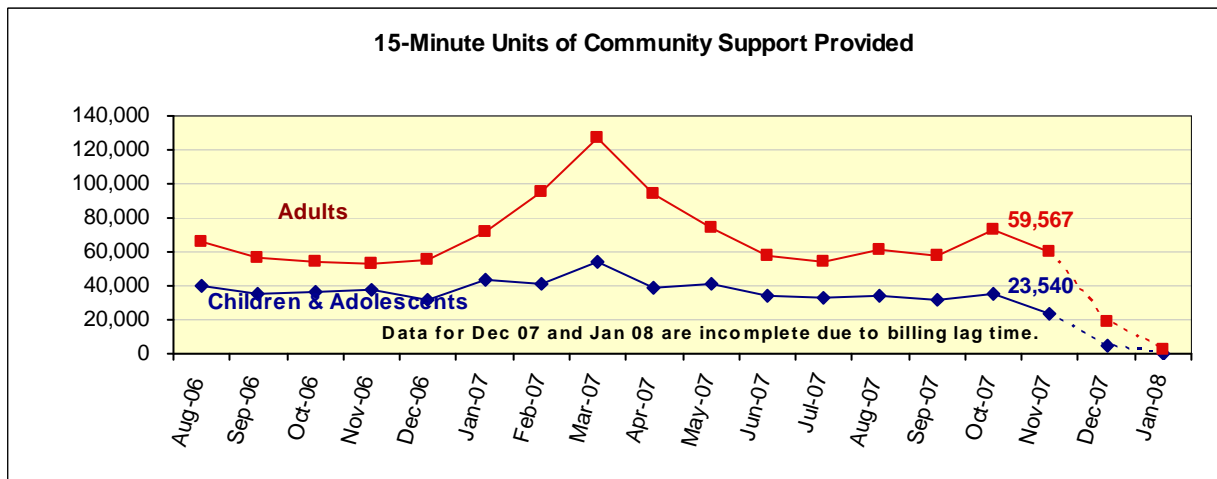


Figure 1.4 below shows a peak in State-funded services in March 2007 for both adults and children and adolescents. Units of service for adults had declined to less than 15,000 hours (under 60,000 units) by November 2007. Community support provided to children and adolescents declined to about 5,900 hours in November 2007.

**Figure 1.4**  
**State-Funded Services**



## Services by Qualified Professionals and Paraprofessionals

A breakdown of units provided by qualified professionals and by paraprofessionals was added to the billing requirements in December 2007. Information by staff qualifications will be included in next month's report.

## Cost of Services

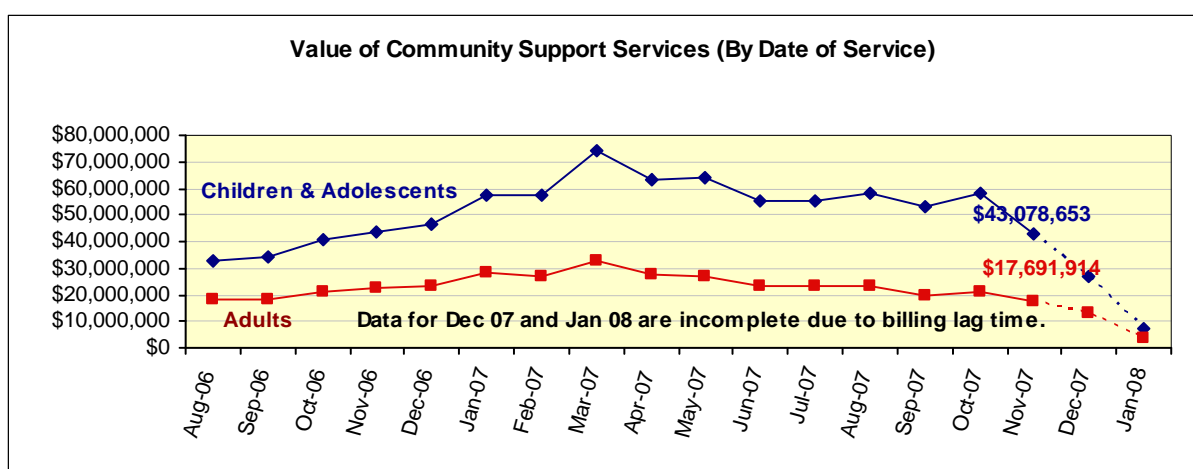
In order to present the most accurate picture of the cost of community support services, two methods of calculating expenditures are needed.

Patterns in service costs are calculated based on the *date of service*. These data (see Figures 1.5 and 1.6) provide a good representation of trends in *actual use and cost of services* each month. However, dollar amounts for the most recent months (December 2007-January 2008) require cautious interpretation. Due to the time needed for claims submission and processing, expenditures shown for these most recent months are likely to be incomplete.<sup>1</sup>

Patterns in service payments are calculated using the *date of payment* of the service claim.<sup>2</sup> This information (see Figures 1.7 and 1.8) provides a good representation of trends in *actual funds expended* from month to month, including the most recent months. However, information based on date of payment is less helpful for evaluating or predicting trends in use of community support services, due to variability in providers' claims submission practices and the number of check-write cycles that occur each month.

Figure 1.5 displays the monthly Medicaid cost of community support services. As of November 2007, the cost of services provided was \$43 million for children and adolescents and almost \$17.7 million for adults. The children and adolescent expenditure data show a 21% decrease from October to November, while the adult expenditure data show a 14% decline for the same period.

**Figure 1.5**  
**Medicaid-Funded Services**

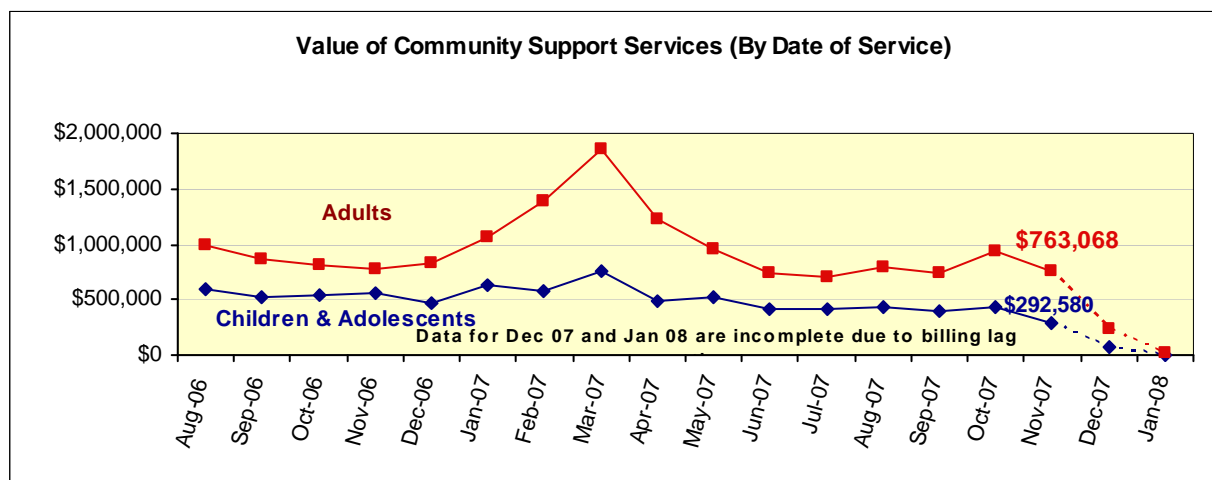


<sup>1</sup> Each monthly report includes updated expenditures for previous months to reflect additional claims as they are paid.

<sup>2</sup> Calculations of service value based on the date of payment include payment adjustments. Calculations based on the date of service do not.

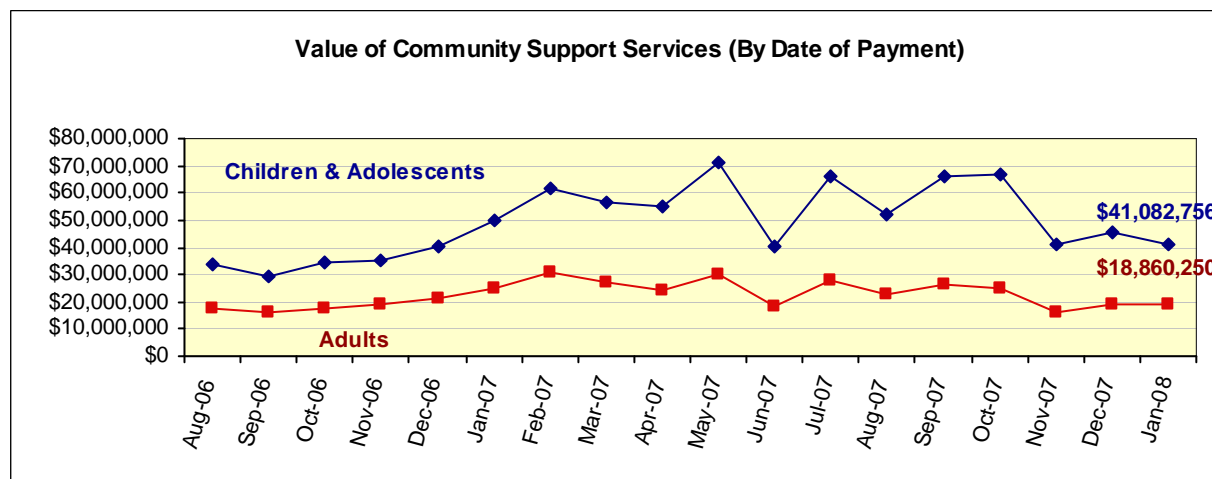
As shown in Figure 1.6, the monthly State-funded cost of community support services for November 2007 has decreased to \$763,000 for adults. Child and adolescent services has decreased to under \$293,000.

**Figure 1.6**  
**State-Funded Services<sup>3</sup>**



As shown in Figure 1.7, monthly Medicaid payments to providers for community support in January totaled about \$41 million for children and adolescents and slightly under \$19 million for adults.

**Figure 1.7**  
**Medicaid-Funded Services**

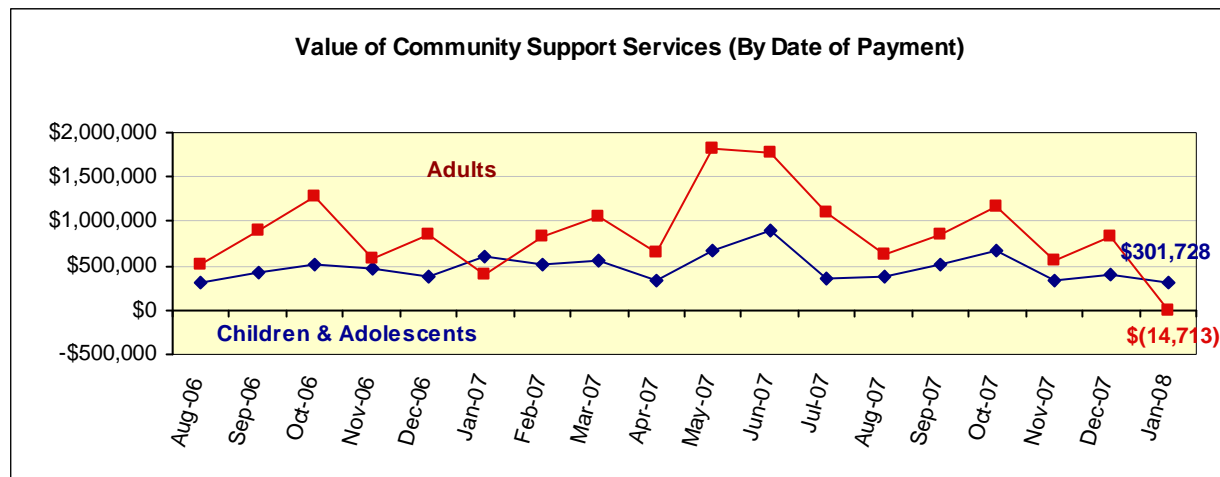


<sup>3</sup> Data includes the estimated cost of services provided in LMEs that receive Single Stream funding. The estimated cost of service is calculated based on the allowed rate of service multiplied by units of service reported. This estimate could slightly overstate the actual costs presented because of possible duplicate claim submissions.



Payments of state funds made through the Integrated Payment and Reimbursement System (Figure 1.8), reflect a more irregular billing pattern for community support children and adolescents and for adults. In January 2008 the amount of community support services billed reflect an adjustment that exceeds the amount of dollars paid.

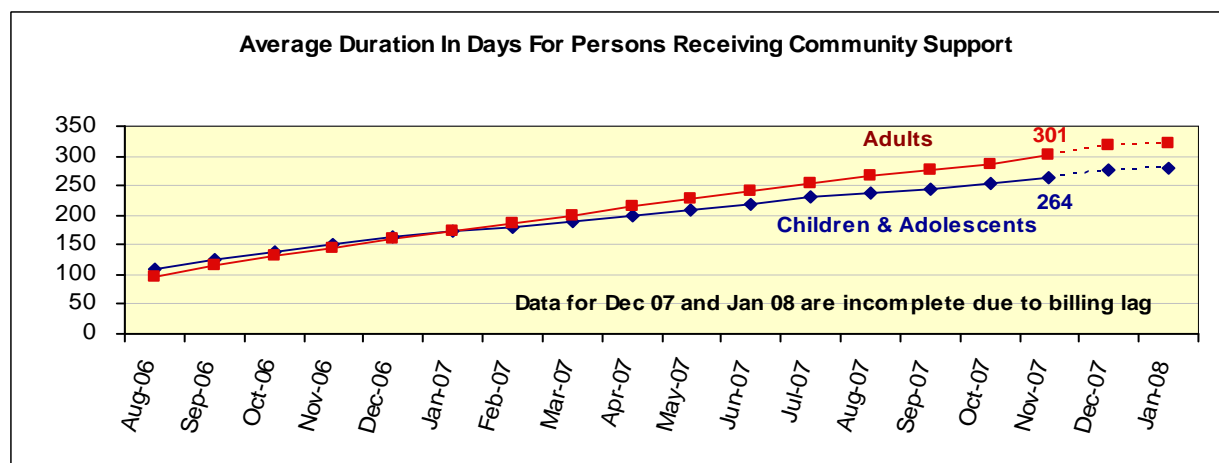
**Figure 1.8**  
**State-Funded Services<sup>4</sup>**



### ***Intensity of Services (Length of Service and Hours Per Person)***

The *average length of service* or duration of services, as shown in Figure 1.9 below, shows a steady rise in how long individuals remain in community support services. In November 2007, the average length of service was almost nine months (264 days) for children and adolescents and ten months (301 days) for adults. Preliminary data for December 2007 and January 2008 suggest that the average length of service is continuing to rise.

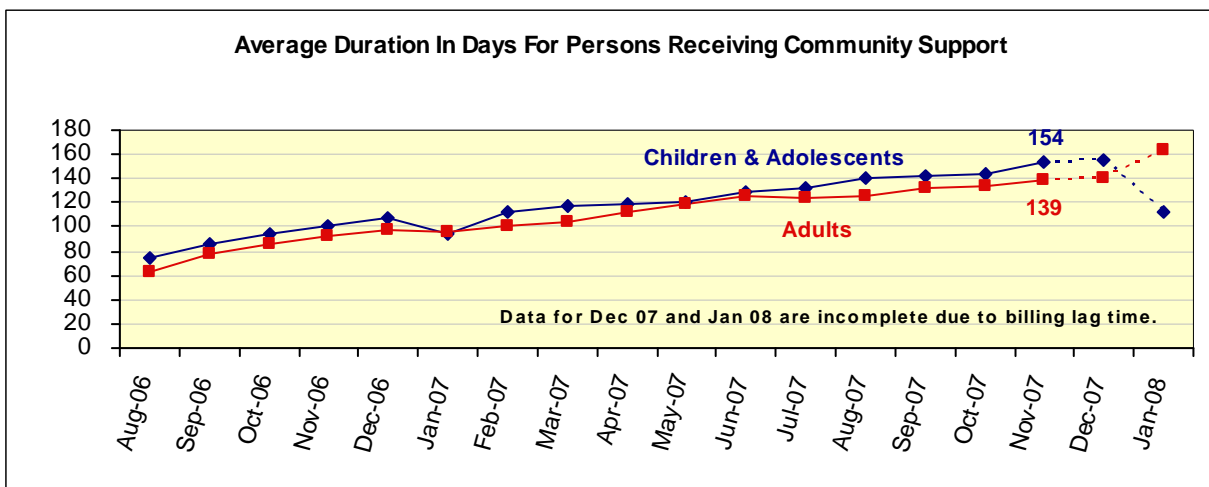
**Figure 1.9**  
**Medicaid-Funded Services**



<sup>4</sup> Data includes the estimated cost of services provided in LMEs that receive Single Stream funding (See footnote #3 for more details).

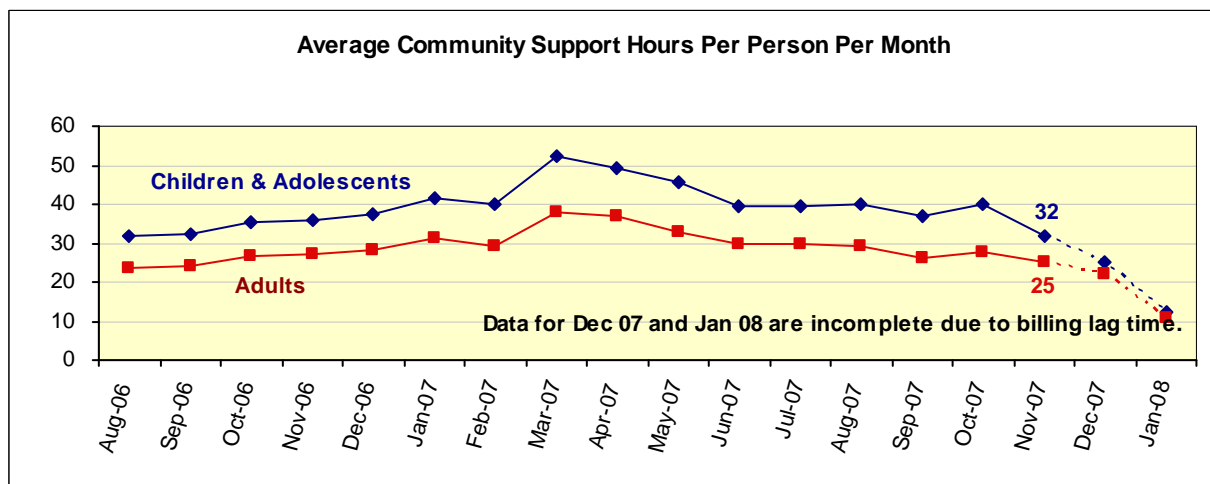
The *average length of service* for State-funded consumers, as shown in Figure 1.10, also shows a steady rise. In November 2007, the average length of service was about five months (154 days) for children and adolescents and over four months (139 days) for adults.

**Figure 1.10**  
**State-Funded Services**



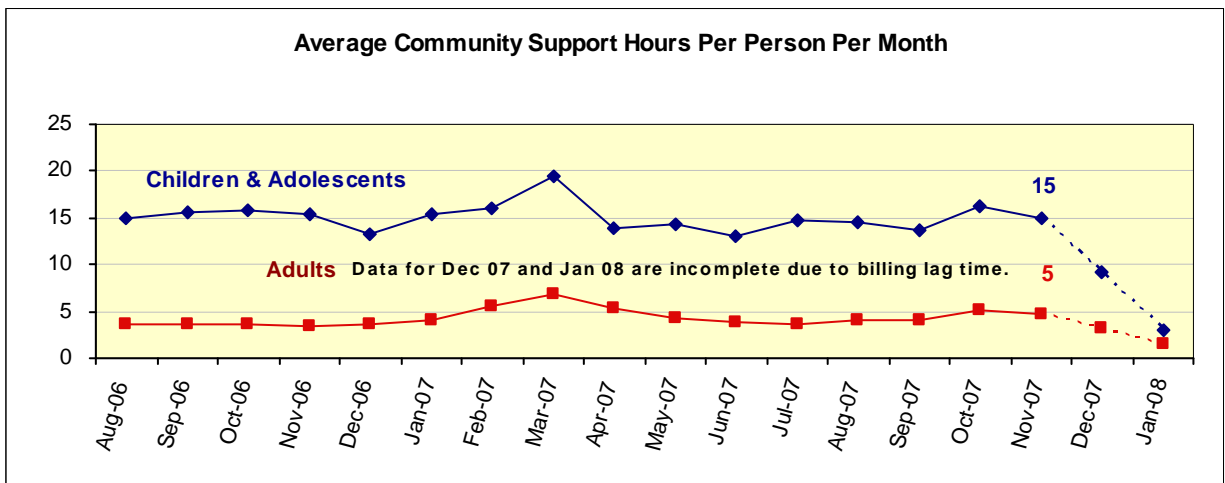
*Average hours per person per month* provide additional information for evaluating the intensity of the services provided. As indicated in Figure 1.11 below, the average hours per month funded by Medicaid decreased to 32 hours a month per child/adolescent and 25 hours a month per adult in November 2007.

**Figure 1.11**  
**Medicaid-Funded Services**



As indicated in Figure 1.12 below, children and adolescents received an average of 15 hours per month for State-funded community support services and adults received an average of 5 hours a month in November 2007.

**Figure 1.12**  
**State-Funded Services**

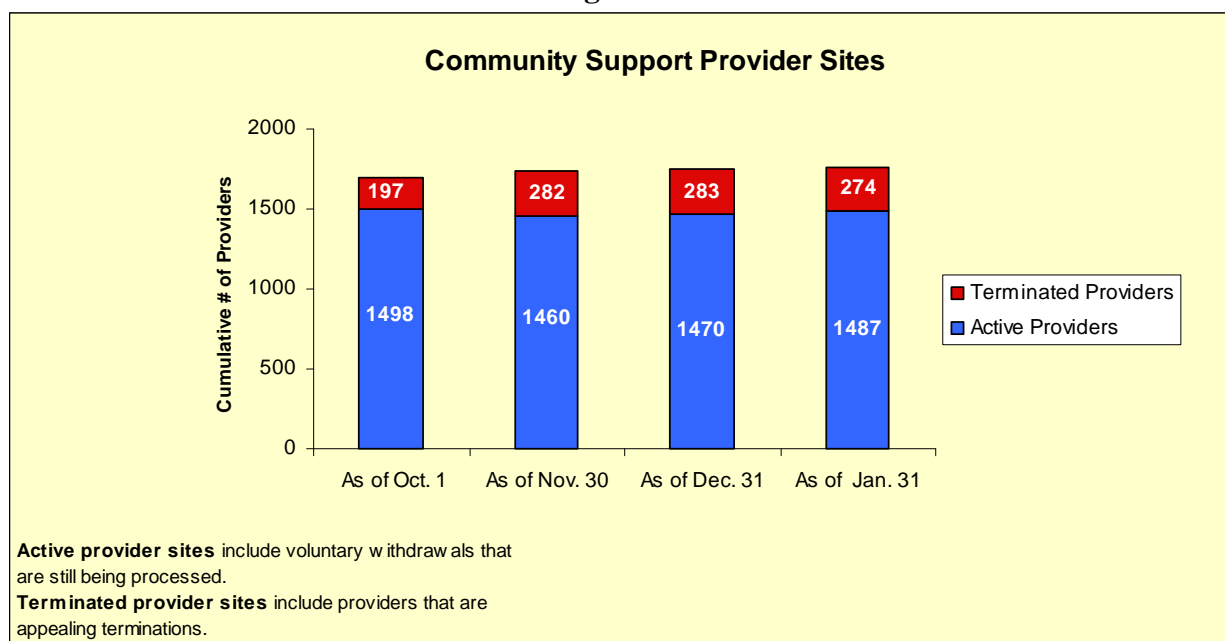


# Community Support Providers

## Number of Enrolled Providers

As of October 1, 2007, a total of 1,695 distinct provider sites had been enrolled to provide community support services before enrollment for new providers was halted in November 2007.<sup>5</sup> Of these, 197 sites had been terminated prior to that date. As of January 31, 2008 1,487 provider sites were actively enrolled to provide community support services, while 274 provider sites had their enrollment terminated. The North Carolina Department of Health and Human Services (DHHS) will include re-enrollment information once the suspension of new enrollments is lifted. The small increase in providers from November 2007 to January 2008 is the result of applications that were in process when the November 8, 2007 memo was issued halting enrollment. In addition, some terminated providers have been reinstated as a result of hearings where decisions were overturned and were moved to the “active provider” category.

Figure 2.1

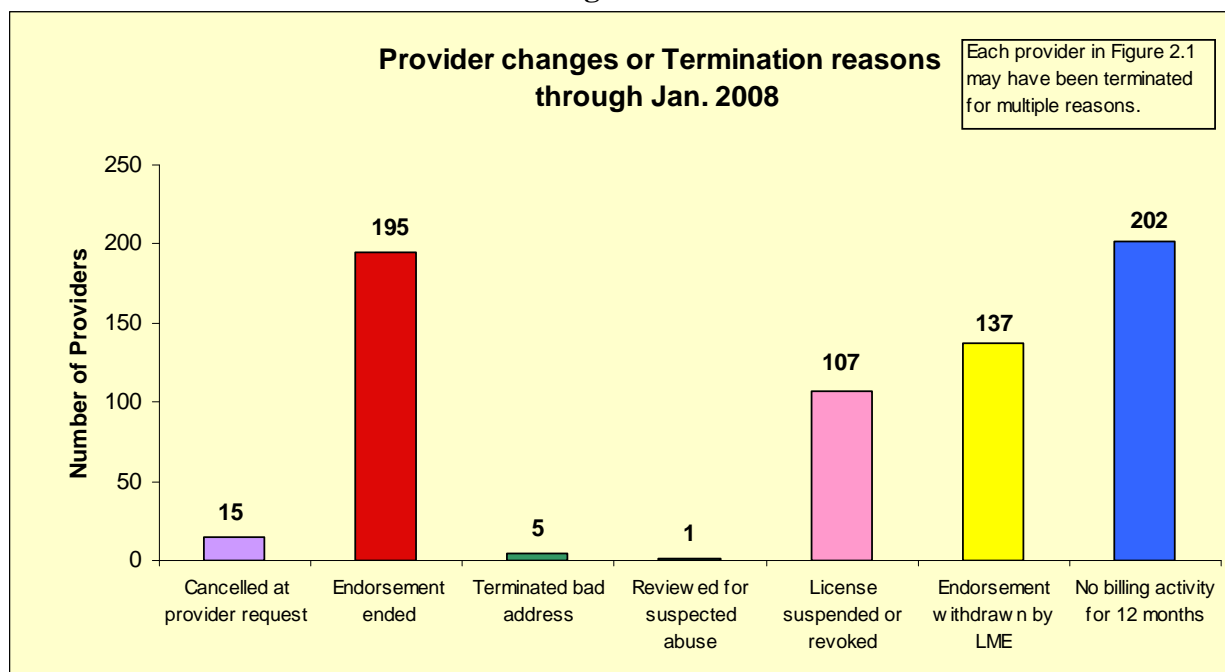


\*Current Provider data was created on 2/8/07

Figure 2.2 on the next page, outlines reasons for changes and terminations for the 274 providers terminated in the figure above. Provider inactivity, lapsed endorsements, and suspensions or revocations by LMEs or the licensing agency represented the most frequent reasons for termination.

<sup>5</sup> Providers are identified by the specific location from which services are delivered. A single business entity that has multiple enrolled sites is counted multiple times in Figure 2.1.

Figure 2.2



### ***Clinical Post-Payment Reviews***

As reported previously, the LMEs completed the first round of post-payment reviews in September 2007. These reviews included 4,155 reviews of adults and 7,646 reviews of children and adolescents who received at least twelve hours per week of community support services and involved 777 provider sites. As shown in Figures 2.3 and 2.4 on the next page, only 10% of adults' services and 11% of child services were considered medically necessary with appropriate duration and intensity. The reviews indicated that 54% of the individuals reviewed received community support services that were medically necessary, but not of appropriate duration or intensity. The remaining individuals received services that were determined not to be medically necessary. The LMEs are currently completing service record reviews and preparing for the next phase of the post-payment review process. Results of those reviews will be reported when completed.

Figure 2.3

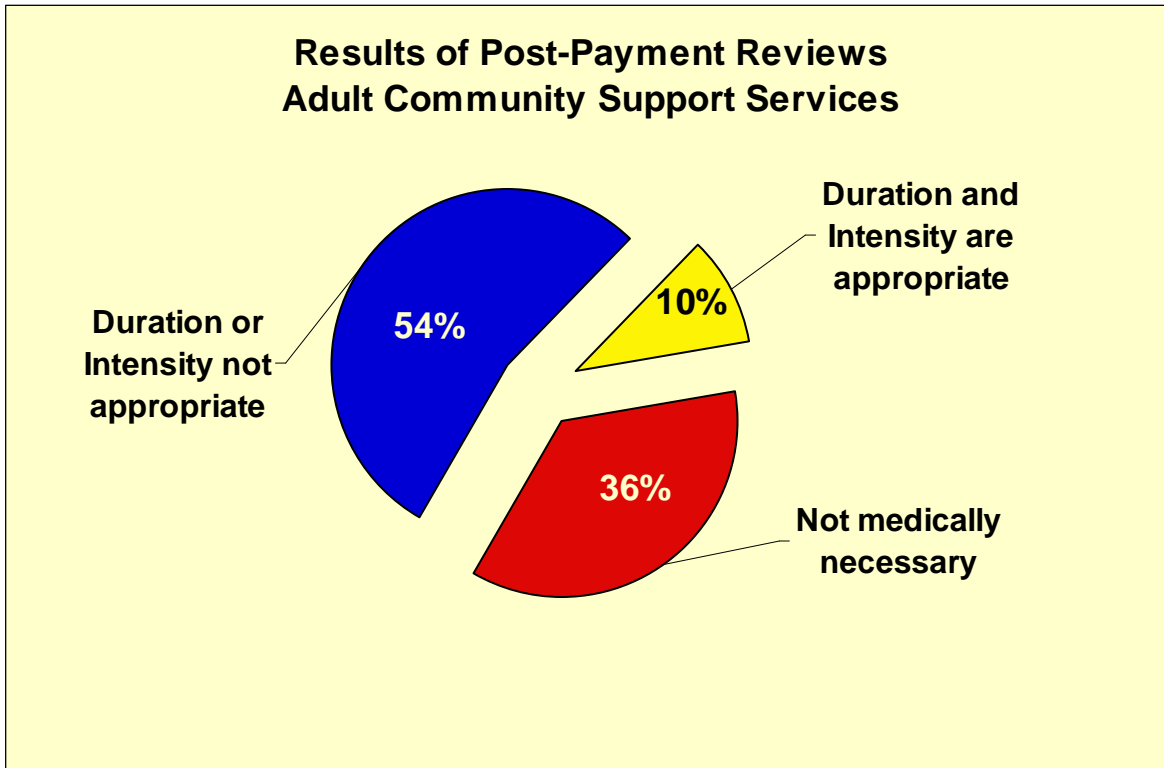
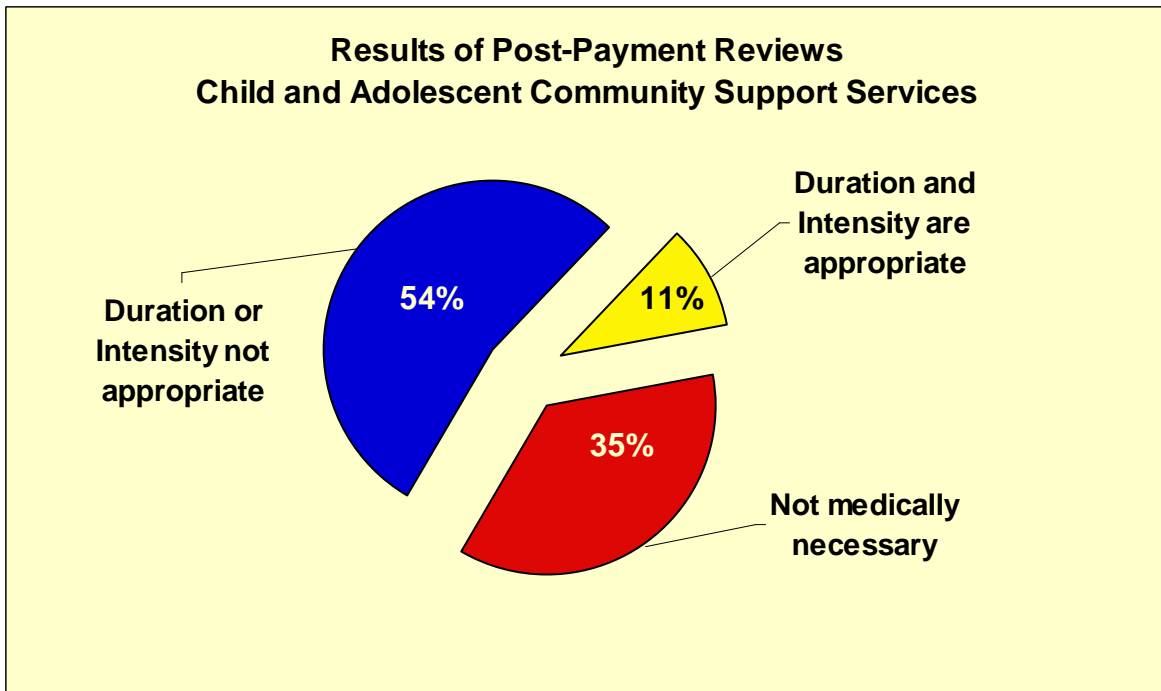


Figure 2.4



## ***Actions Taken and Providers Referred for Further Review***

As shown in Figure 2.5 below, over 1,000 community support providers, have been referred to the Division of Medical Assistance (DMA) Program Integrity Section for investigation. Due to the current volume of community support providers being reviewed by the Program Integrity (PI) Section, the Rapid Action Committee will not review the cases prior to further action.<sup>6</sup> The Program Integrity Section has submitted 21 provider cases for referral to the Attorney General's Medicaid Investigation Unit (MIU).<sup>7</sup>

**Figure 2.5**

<b>Community Support Providers Referred for Further Action</b>				
<b>As of January 31, 2008</b>				
	<b>Previous Totals</b>	<b>December Totals</b>	<b>January Totals</b>	<b>Cumulative Totals</b>
Provider cases opened by DMA Program Integrity Section	481	13	557	*1,051
Providers Referred by DMA to Attorney General's Medicaid Investigation Unit	N/A	N/A	21	21

\*777 cases originated from the LME reviews. The balance is from other referrals to PI. The number of provider cases may include a duplicate number of providers referred to PI.

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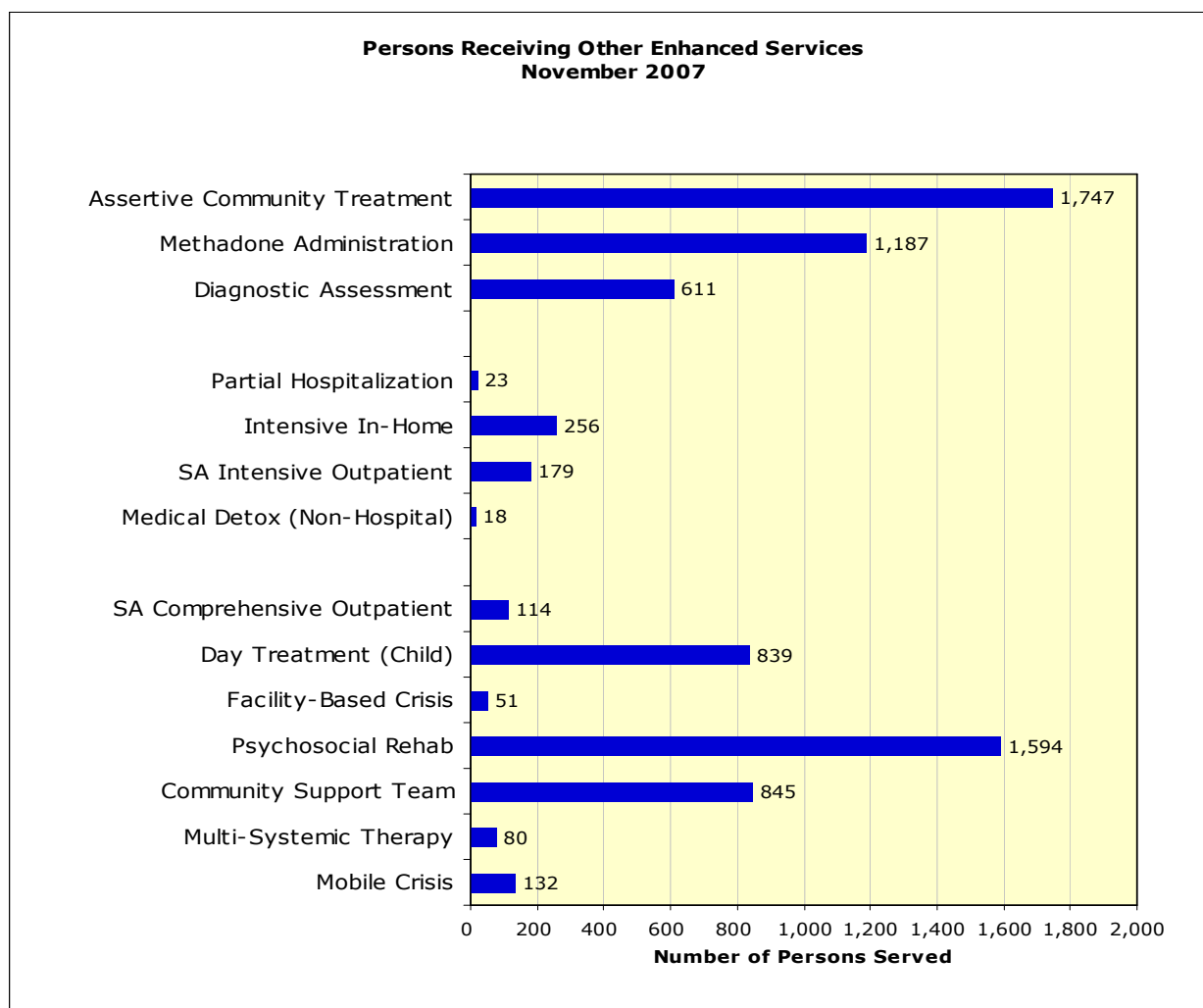
<sup>6</sup> The Rapid Action Committee will continue to review actions and sanctions for other types of MH/DD/SAS providers.

<sup>7</sup> Any direct referrals of community support providers to the MIU by agencies, families, or other stakeholders that do not pass through review by DMH or DMA will not be included in this report.

## Use of Other New Enhanced Services

The number of individuals receiving other Medicaid-funded enhanced services in November 2007, as shown in Figure 3.1, was lower than the 40,000 individuals who received community support during that month (Refer to Figure 1.1.). The greatest numbers of persons receiving other enhanced services were in psychosocial rehabilitation (PSR) and assertive community treatment teams (ACTT).

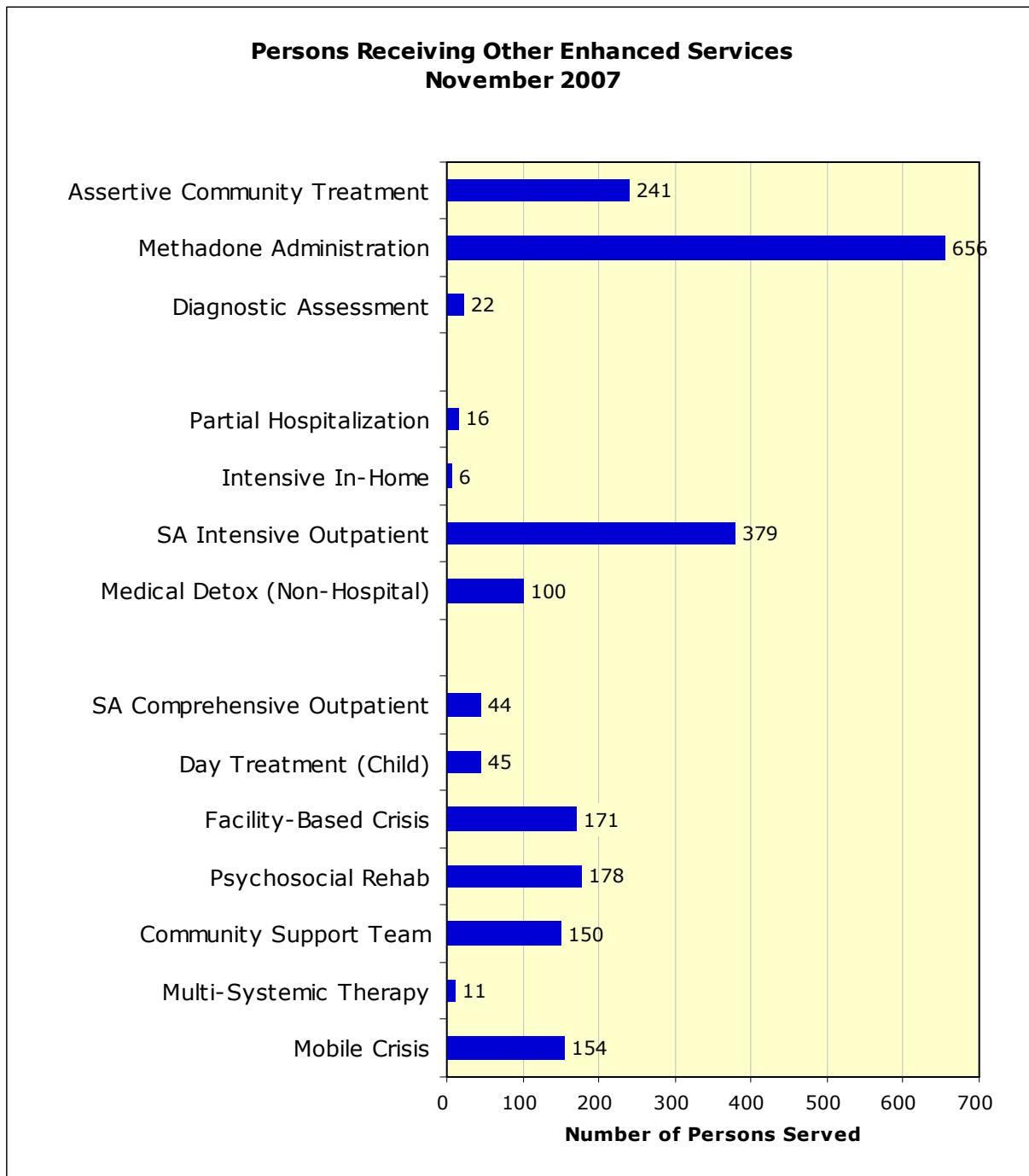
**Figure 3.1**  
**Medicaid-Funded Services**





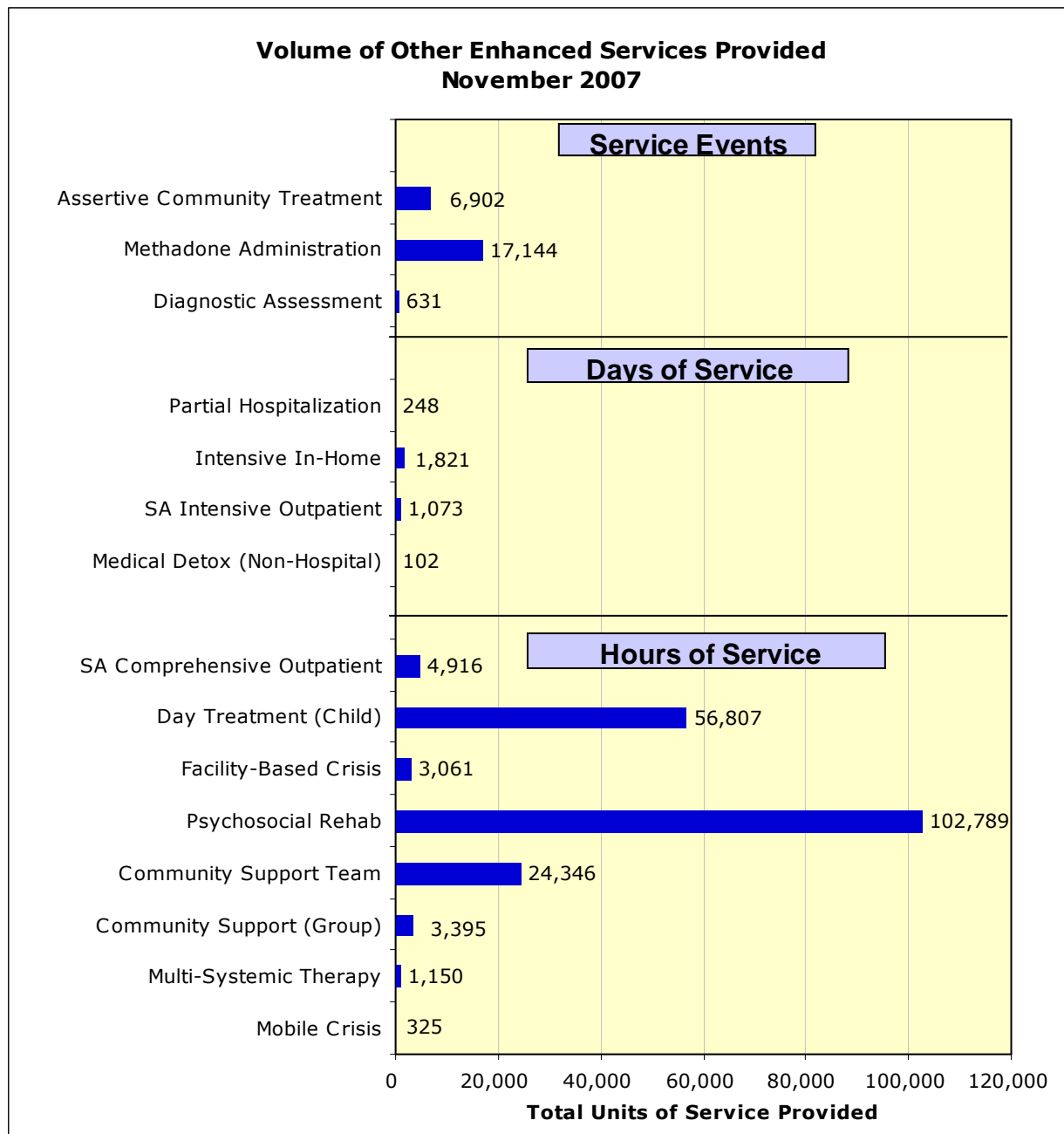
Likewise, more State-funded consumers received community support than other enhanced services. As shown in Figure 3.2, methadone administration and substance abuse intensive outpatient treatment served the most State-funded consumers, after community support services.

**Figure 3.2**  
**State-Funded Services**



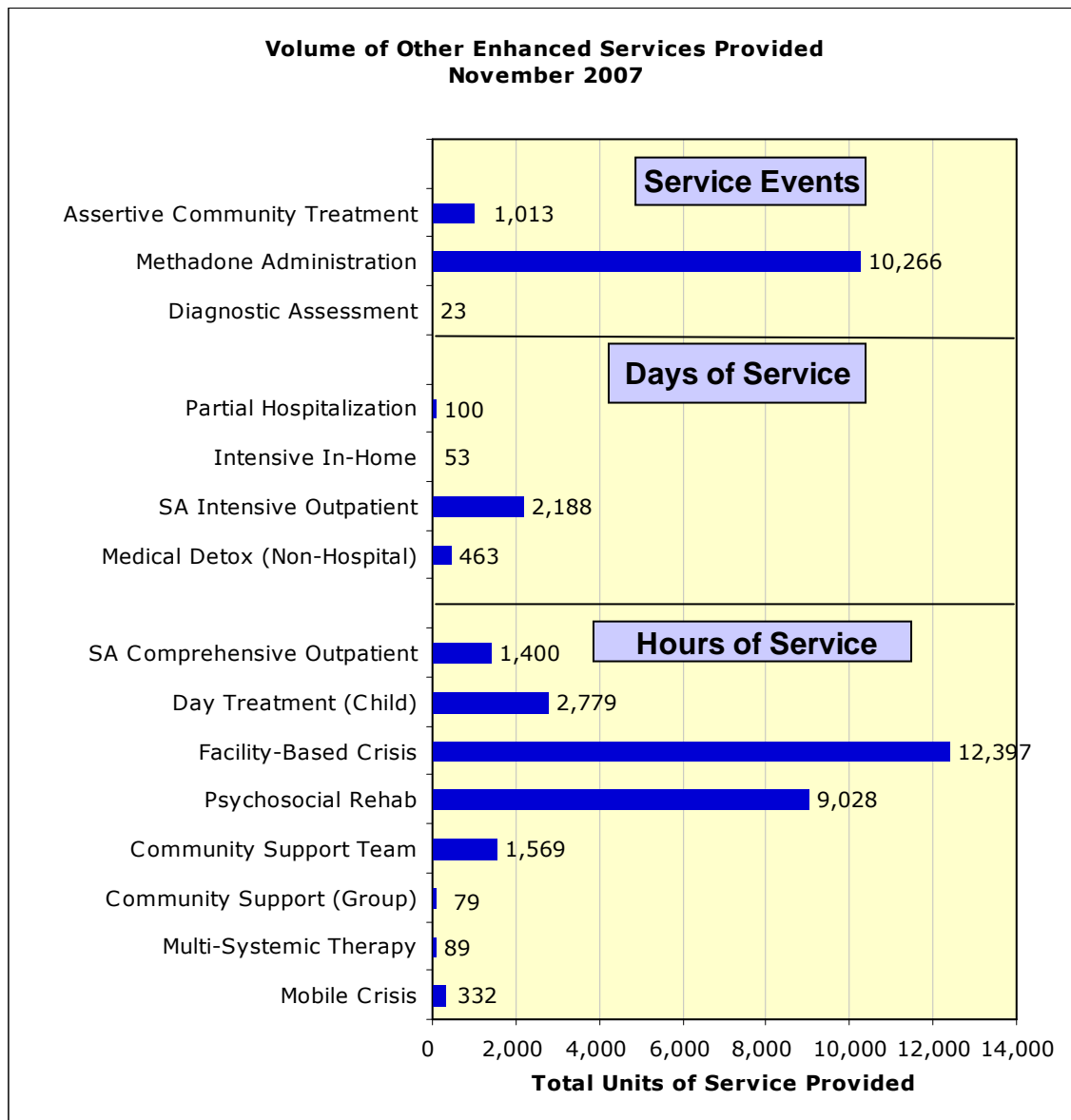
The total hours of other enhanced Medicaid-funded services provided in November 2007 were also less than for community support, as shown in Figure 3.3. For services billed by the hour (or parts of an hour), psychosocial rehabilitation (almost 103,000 hours) and child day treatment (almost 57,000 hours) were the highest used services next to community support, which had about 1.2 million hours for all ages combined (Refer to Figure 1.3).

**Figure 3.3**  
**Medicaid-Funded Services**

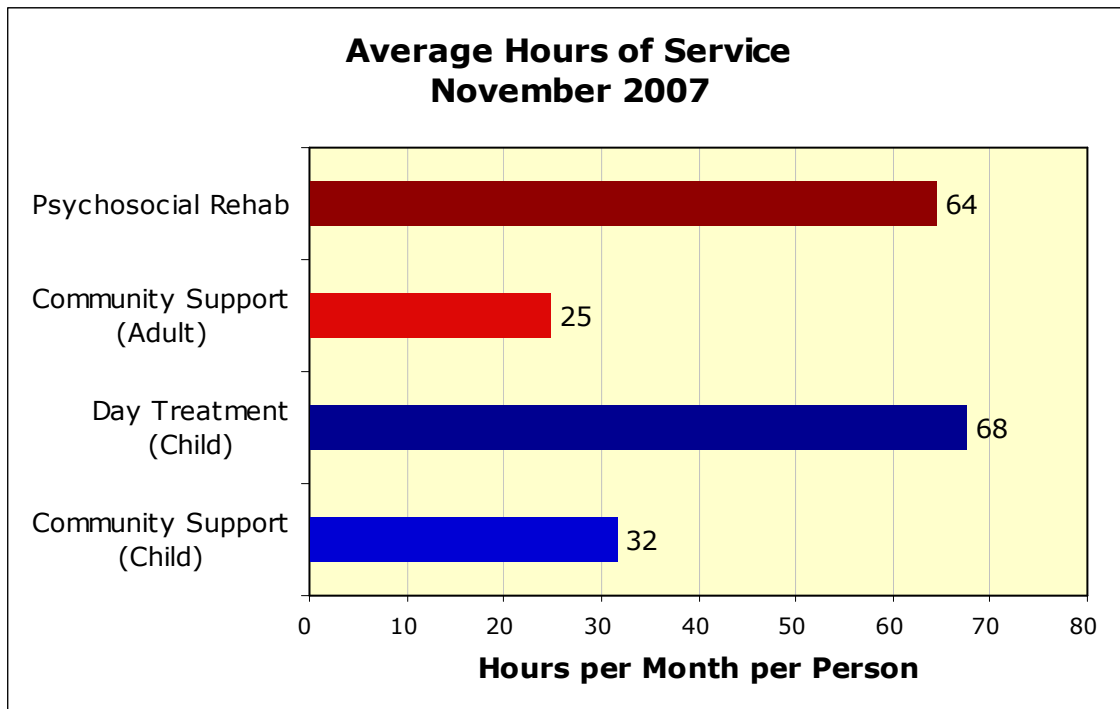


As shown in Figure 3.4, facility based crisis services (at about 12,400 hours) and PSR (at about 9,000 hours) were the most used State-funded hourly services after community support, at almost 20,800 hours for all ages combined (Refer to Figure 1.4).

**Figure 3.4**  
**State-Funded Services**

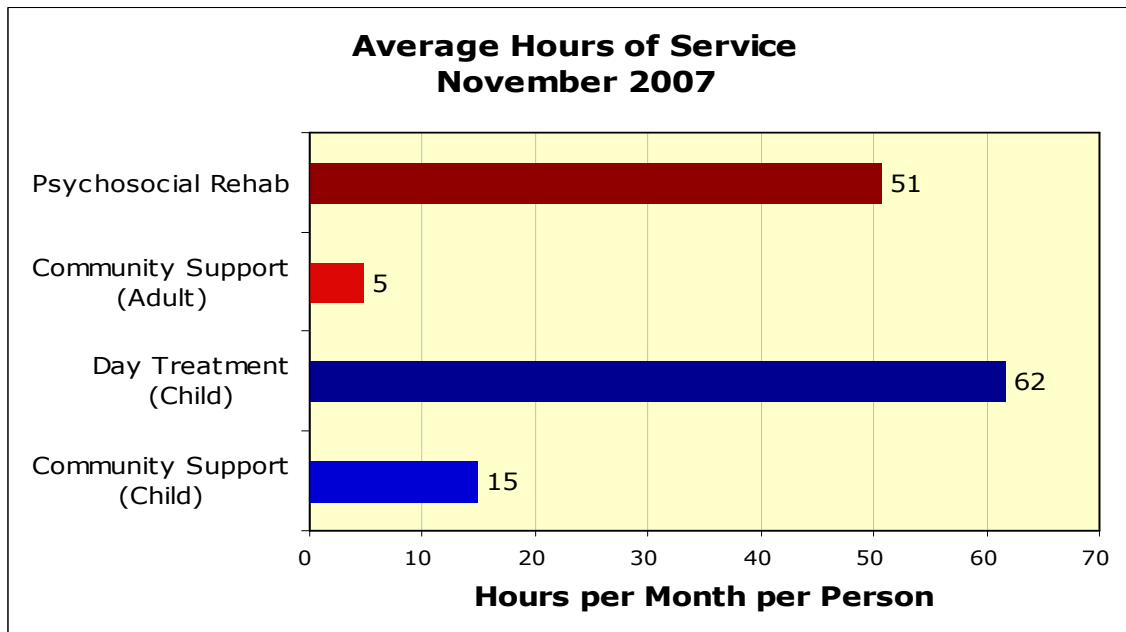


**Figure 3.5**  
**Medicaid-Funded Services**



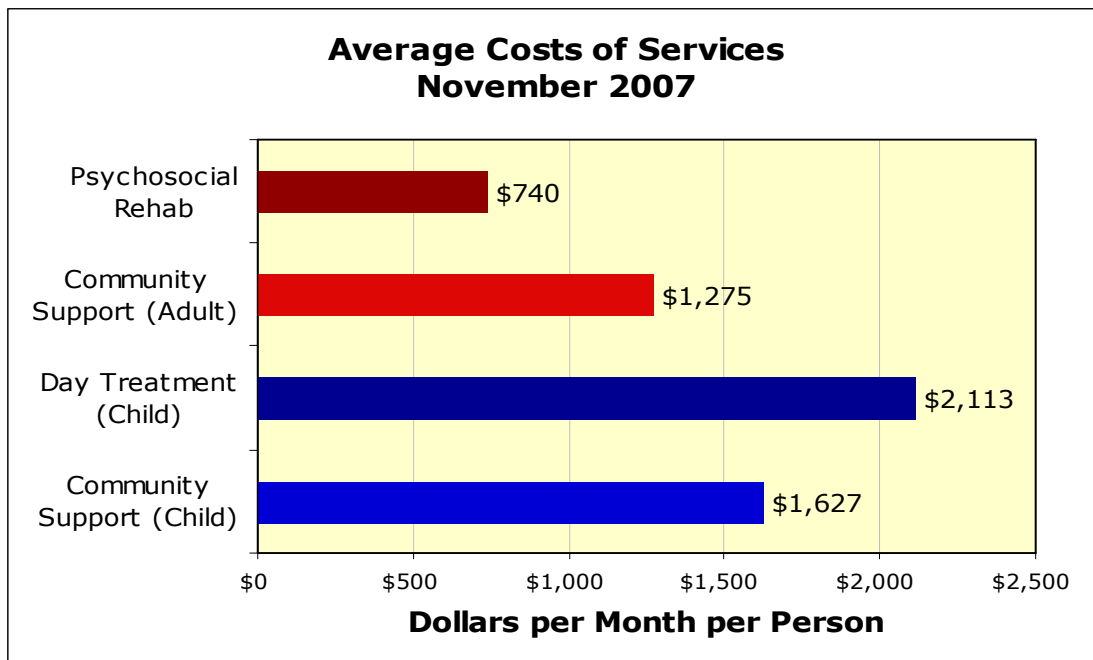
For State-funded services (Figure 3.6) adults in PSR received 10 times as many hours as those in community support (Refer to Figure 1.12). Likewise, children in day treatment received over four times as many hours as those in community support.

**Figure 3.6**  
**State-Funded Services**

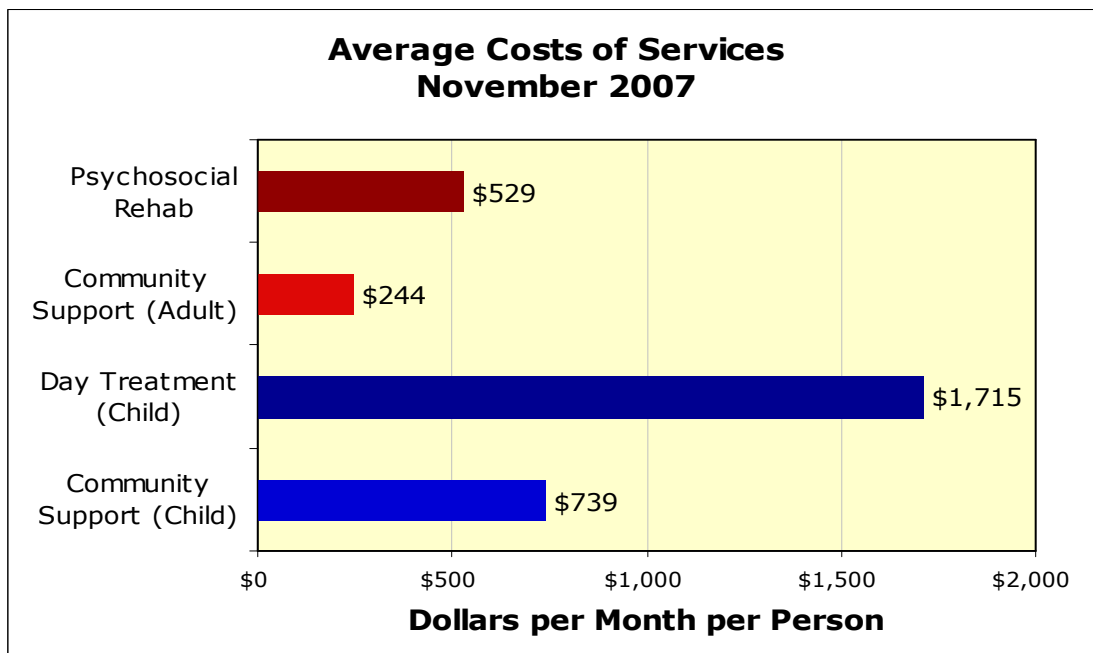


Day treatment for children remains the most costly enhanced service per month per person (as seen in Figures 3.7 and 3.8).

**Figure 3.7**  
**Medicaid-Funded Services**



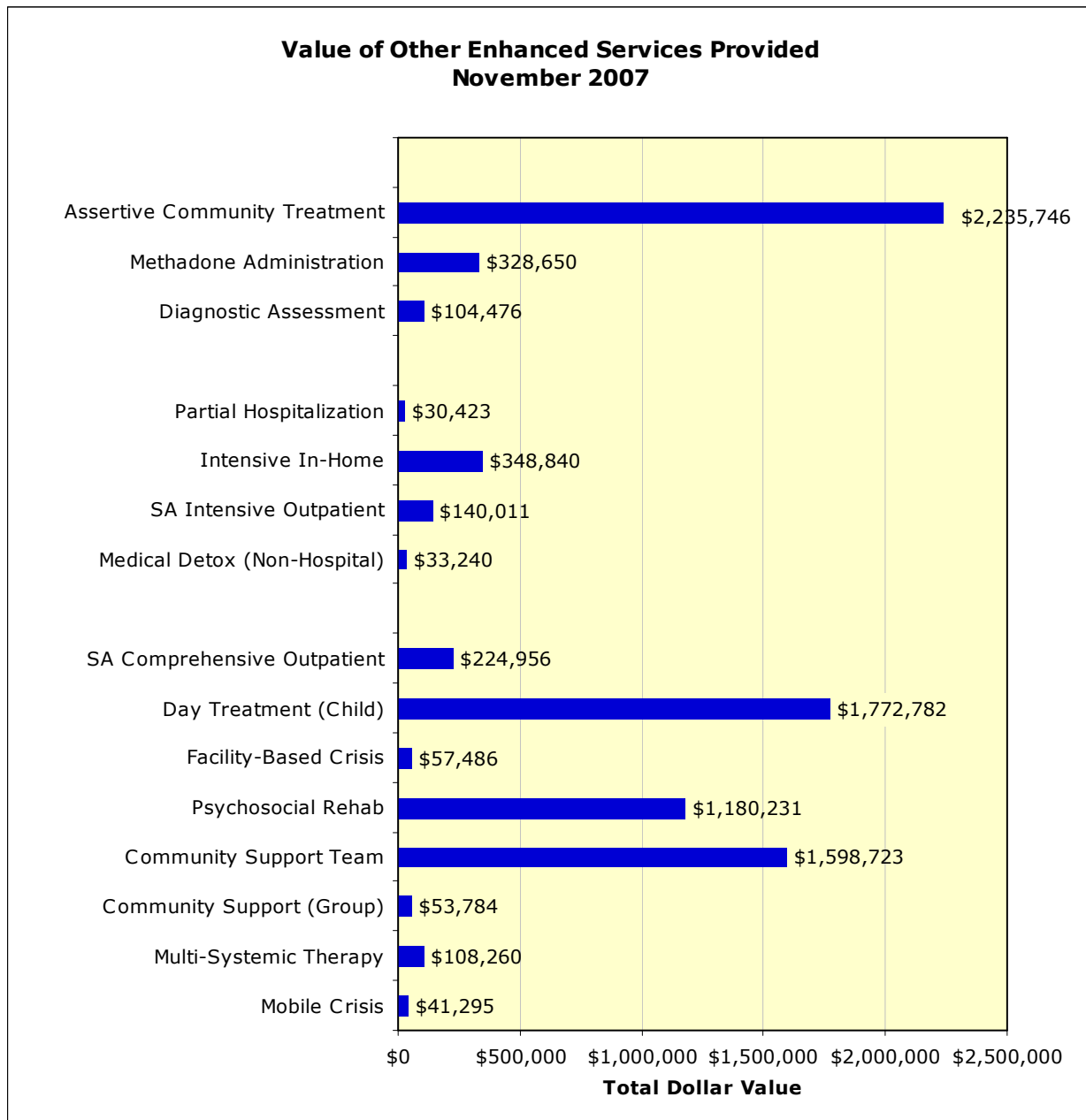
**Figure 3.8**  
**State-Funded Services<sup>8</sup>**



<sup>8</sup> Data includes the estimated cost of services provided in LMEs that receive Single Stream funding (See footnote #3 for more details).

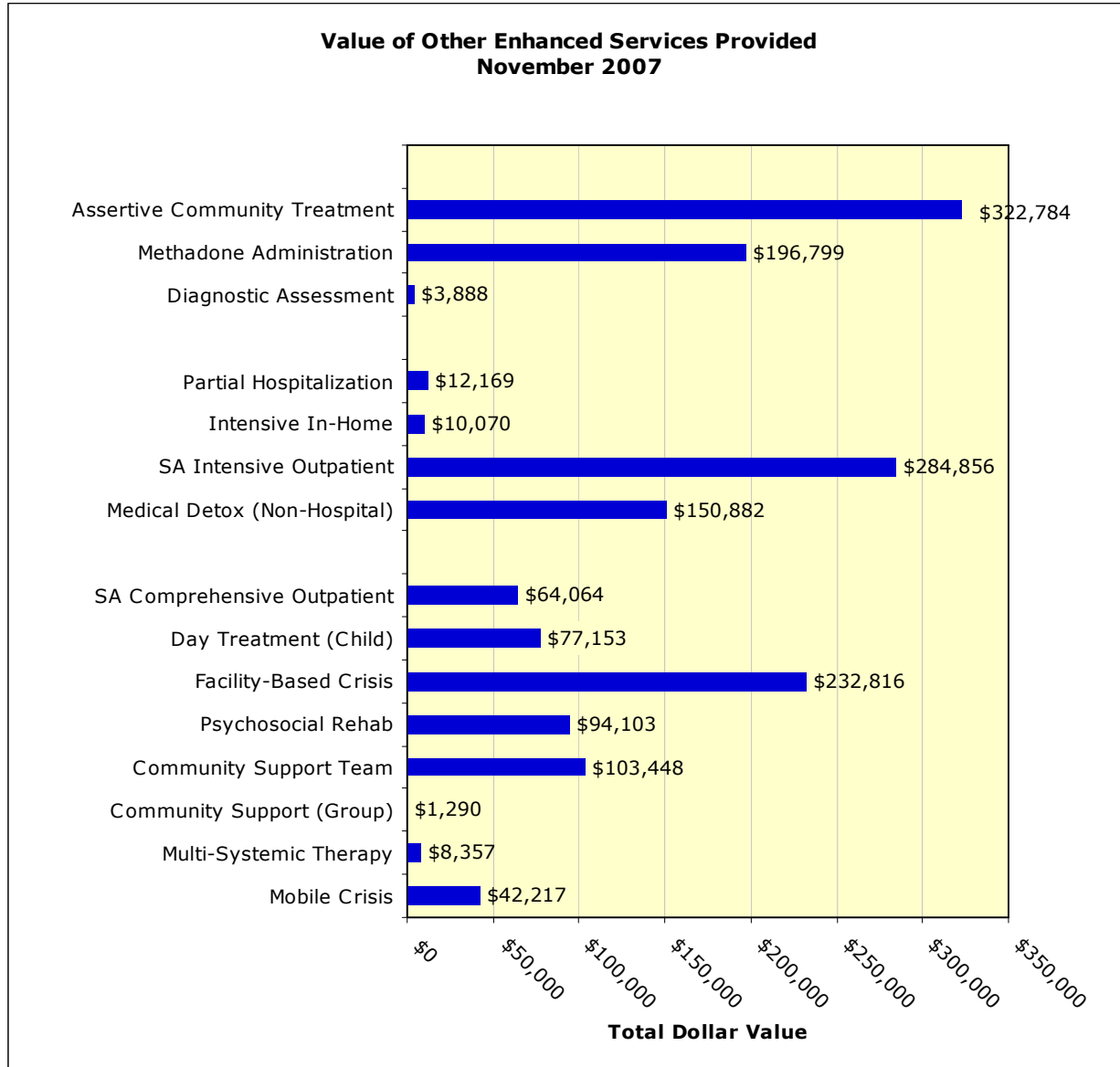
Figure 3.9 shows the total cost of Medicaid-funded enhanced services other than community support that were provided in November 2007.

**Figure 3.9**  
**Medicaid-Funded Services**



The total costs of State-funded enhanced services in November 2007 (Figure 3.10) show a similar pattern, with ACTT being the highest at almost \$323,000. Substance abuse intensive outpatient, at about \$285,000 was the next most expensive service.

**Figure 3.10**  
**State-Funded Services<sup>9</sup>**



<sup>9</sup> Data includes the estimated cost of services provided in LMEs that receive Single Stream funding (See footnote #3 for more details).